MULTIMEDIA UNIVERSITY*

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2215)

DFB5014 – FUNDAMENTALS OF BUSINESS

(All sections/Groups)

22 FEBRUARY 2023
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 8 pages with 2 sections only.
2. Attempt **ALL** questions in Section A and Section B. The distribution of the marks for each question is given.
3. Please shade your answers for Section A on the OMR form provided and write your answers for Section B in the Answer Booklet provided.

SECTION A: Multiple Choice Questions (30 Marks)

1. What is profit?
   A. Increases in income from year to year.
   B. Increases in a corporation's stock price.
   C. Revenue generated by goods and services.
   D. Difference between revenues and expenses.

2. What is the **MOST** suitable term used in the process of converting government enterprises into individually owned businesses?
   A. Privatisation.
   B. Entrepreneurship.
   C. Production allocation.
   D. Profit maximisation.

3. Which of the following factors of production is **MOST** significant to generate forecasts based on specialised knowledge and economic data?
   A. Economic resources.
   B. Labour.
   C. Information resources.
   D. Entrepreneurs.

4. Which of the following term is **MOST** correlated if there are a lot of small firms in an industry?
   A. Competitive advantage.
   B. An oligopoly.
   C. Private enterprise.
   D. Perfect competition.

5. What is the difference between monopolistic competition from perfect competition?
   A. There are more sellers in a market characterised by monopolistic competition.
   B. It is easier for sellers to enter a market or industry characterised by monopolistic competition.
   C. In a perfectly competitive market, products are more dissimilar.
   D. In a market characterised by monopolistic competition, individual firms have some control over price.

6. Which of the following terms refers to quantity demanded exceeds the quantity supplied?
   A. Demand deficit.
   B. Surplus.
   C. Equilibrium point.
   D. Shortage.

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7. In an oligopoly competition, how does other sellers react if their competitors reduced its price?
   A. There is no reaction from other firms to change their prices.
   B. Other firms reduce their prices also, usually quite quickly.
   C. Other firms may reduce their prices, but usually gradually.
   D. Other firms are not usually aware that price has changed.

8. What type of business environment will be **MOST** influenced by factors such as international trade agreements, economic conditions, and political unrest?
   A. Global business environment.
   B. Economic environment.
   C. Domestic business environment.
   D. Technological environment.

9. _____ determine price-based relationships between different levels of demand and supply.
   A. Market economies
   B. Degrees of competition
   C. Surplus to shortage relationships
   D. Demand and supply curves

10. Where can a business obtain statistical information on an economy's strength and performance?
   A. Aggregate output.
   B. Business cycle reports.
   C. Economic indicators.
   D. Standard of living indexes.

11. Which of the following term is **MOST** appropriate to show an entrepreneur who has goals of growth and expansion, turning the business into a major business?
   A. Visionary.
   B. Small Business.
   C. Diversification.
   D. Start-up.

12. Which of the following tools used by an entrepreneur to propose a new business venture?
   A. Success chart.
   B. Director's guideline.
   C. Financial blueprint.
   D. Business plan.

Continued ...

13. What is the **MOST** important disadvantage of having a franchise?
    A. Start-up costs.
    B. Operational guidelines.
    C. Difficulty obtaining loans.
    D. Double taxation.

14. Which of the following is a disadvantage of receiving venture capital?
    A. Sharing company control.
    B. Having to pay high interest rates.
    C. Limiting expansion.
    D. Facing a short repayment period.

15. Which of the following is the advantage of being the first mover in an industry?
    A. The first in the market will make the most money.
    B. Exploits an opportunity before others has an advantage.
    C. An advantage in leaving a market when it becomes flooded.
    D. Large organisations cannot take advantage of an opportunity as quickly as an entrepreneur.

16. Which of the following is the **MOST** recent and significant trend in small-business start-ups?
    A. Entrepreneurs who cross over from big business.
    B. Increased opportunities for minorities.
    C. Increased opportunities for women.
    D. Emergence of e-commerce.

17. What is the **MOST** important motivation for women to start new businesses?
    A. Need to earn more money.
    B. Preference for working alone.
    C. Opportunities for family members.
    D. Control in organising their time.

18. _____ is one of the factors that destroys a small business.
    A. Managerial incompetence or inexperience
    B. Bad product design
    C. Legal problems
    D. Time spent raising capital

19. _____ is the **MAIN** disadvantage of sole proprietorships.
    A. Short-term focus of shareholders
    B. Work flexibility
    C. Low start-up costs
    D. Unlimited liability

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20. When income is taxed at the corporate level and on shareholder returns as dividends, what is this situation known as?
    A. Dual costs.
    B. Double taxation.
    C. Regulatory costs.
    D. Double ownership.

21. _____ analyse their competitive environments and plan, organise, direct, and control the operations of their organisations.
    A. Stockholders
    B. Managers
    C. Regulators
    D. Agents

22. Which of the following element related with determining what the organisation needs to do and how best to accomplish it?
    A. Organising.
    B. Planning.
    C. Controlling.
    D. Processing.

23. Which of the following functions **BEST** describes about the management process's organising?
    A. Guiding and motivating employees to meet organisational objectives.
    B. Determining how best to arrange an organisation's resources into a coherent structure.
    C. Scanning the business environment for threats and opportunities.
    D. Monitoring an organisation's performance to ensure that it is meeting its goals.

24. Mr. Ali is a manager in Bumble Boo Sdn. Bhd. He motivated his workforce by providing them with additional vacation time. Which of the following management process is associated with Mr. Ali?
    A. Leading.
    B. Planning.
    C. Organising.
    D. Marketing.

25. Mr. Abu is responsible to implement the strategies, policies, and decisions made by top manager. Who is Mr. Abu?
    A. First-line manager.
    B. Middle manager.
    C. Supervisory manager.
    D. Office manager.

Continued ...

26. Which of the following describes a person who has the ability to think abstractly, diagnose and analyse various scenarios, and see beyond the present situation?
    A. Human relations skills.
    B. Decision-making skills.
    C. Conceptual skills.
    D. Production skills.

27. An accountant's ability to audit a company's records is an example of _____ skills.
    A. motor
    B. technical
    C. human relations
    D. conceptual

28. Which of the following managerial roles characterised by the ability to gather and disseminate communication and areas of interest?
    A. Interpersonal.
    B. Resource allocator.
    C. Decisional.
    D. Informational.

29. _____ identify performance targets used by organisations and their managers to measure success or failure at every level.
    A. Tactics
    B. Goals
    C. Strategies
    D. Mission statements

30. If finance department decided to increase 3 percent of return on investment in next three years, which of the following goals is **MOST** significant?
    A. A long-term goal.
    B. A tactical goal.
    C. A short-term goal.
    D. An intermediate goal.

(Total: 30 marks)

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SECTION B: Structured Questions (70 Marks)

QUESTION 1

Personality test vs behaviour assessment in pre-employment screening

Malaysia's latest job portal, Fourlead, provides practical insights into making smarter recruiting decisions by clearing up common misunderstandings about behaviour and personality. One of the common misunderstandings about behaviour and personality is they are the same. No, they are not, and in fact, they are distinctively different. For years, many organisations have used the personality test as part of the pre-employment and interview process.

What is personality?

The definition of personality, according to WordWeb Online, is "the complex of all the attributes – behavioural, temperamental, emotional and mental – that characterise a unique individual". In most cases, personality covers a wide range of attributes and summarises a person's characteristics. There is a Chinese saying, "three years fixes eighty", meaning a child forms character and personality at the age of three, which remain the same until the age of 80. This implies personality does not change after it is fixed at an incredibly young age.

Since personality does not change after the age of three, then should it be a piece of useful information to gauge a person's fit in a job and company culture? No, because using personality (fixed) data on an ever-changing environment and people will not be accurate. Especially during this point in time when the COVID-19 pandemic has hit global economies badly, most businesses have taken drastic measures and changes to make it through these trying times.

Several studies cite that personality is not the right measure to indicate if a person is well fit or suited to a particular workplace. One of the clear examples is by award-winning psychologist Annie Murphy Paul. She has written about how personality tests are leading us to miseducate our children, mismanage our companies and misunderstand ourselves. She said she wants to appraise workers and students to focus on gauging specific abilities. This gauge can be done more effectively by talking to people, learning details of their past and observing their current behaviour.

Let's take an example. Orisayemi, a nurse in the US, has worked in Emergency Nursing for 30 years to date. She has done well with excellent performance and promotions to her name. Back in 2000, due to a buy-out, the purchasing company laid her off because there was an incumbent from the buying company. When she applied for the same position elsewhere, she had to take a personality test, but the result stated that she wasn't suited for the job. She did not even get an interview. So, despite her 10 years of experience at that point as a registered nurse, she did not get an interview when she applied with a personality test.

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What is behaviour?

Based on what we understand from the extensive and years of research and findings from psychologists – personality does not change after the age of three to five. What changes then? Behaviour – we change our behaviour according to the environment over time. Thus, behaviour can be described, observed, and measured.

According to Oxford, behaviour is how one acts or conducts oneself, especially towards others – people. Behaviour also means how a person behaves in response to a particular situation or stimulus – work. To put this in a macro view, how we tend to behave when we are at home, school, or workplace is different. If we were to look into each environment, we deal with both people and work.

Behaviour is highly relevant to the workplace as we deal with people and work all the time. A company is made up of its workforce, and the workforce shapes the organisation culture, which then translates to how people should work and interact in the company – people. An employee's job in the company is to monitor, manage and execute all the tasks and responsibility given to you – work. Thus, at the screening stage, accurate and comprehensive behaviour information will allow the hiring manager to gauge if the candidate is fit for the job and the culture from the behaviour aspect.

Adapted from http://www.humanresourcesonline.net/

(a) Based on the article:

i. Does personality change after the age of three to five years old? (2 marks)

ii. List **FOUR (4)** attributes of personality. (4 marks)

iii. Behaviour is highly relevant to the workplace. Why is accurate and comprehensive behaviour information important at the screening stage? (2 marks)

(b) Personality is the relatively stable set of psychological attributes that distinguish one person from another. Researchers have identified five fundamental traits that are especially relevant to organisations called the "Big Five" personality traits. Briefly explain **FIVE (5)** personality traits according to the "Big Five" personality traits. (10 marks)

(c) List **TWO (2)** types of counterproductive behaviour that should be avoided by employees. (2 marks)

(Total: 20 marks)

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QUESTION 2

(a) Define the following terms:
   i. Accounting (2 marks)
   ii. Accounting Information System (AIS) (2 marks)
   iii. Bookkeeping (2 marks)

(b) Briefly explain the difference between financial accounting and managerial accounting. (4 marks)

(c) Briefly explain the **THREE (3)** functions of money. (6 marks)

(d) Differentiate between market value and book value. (4 marks)

(Total: 20 marks)

QUESTION 3

(a) Briefly explain **THREE (3)** categories of consumer products. (6 marks)

(b) List the **SEVEN (7)** steps that are involved in the product development process. (7 marks)

(c) Define brand awareness. (2 marks)

(Total: 15 marks)

QUESTION 4

(a) The effect of Information Technology (IT) on business has been immeasurable. Briefly explain **THREE (3)** impacts of IT. (6 marks)

(b) Differentiate between hardware and software. (4 marks)

(c) Breaking and entering no longer refers merely to physical intrusion. Today, it applies to Information Technology (IT) intrusions as well. List **FIVE (5)** IT risks and threats. (5 marks)

(Total: 15 marks)

End of Paper